

MEDICAL EXTENSIONS

Purpose: This category describes the extended medical benefits available when a family is no longer eligible for TANF cash benefits (F01) or for family medical program (F04) due to increased earnings or collection of child or spousal support. This category includes:

- WAC 388-523-0100 Medical extensions - Eligibility requirements.
- WAC 388-523- 0110 Medical extensions - Reporting requirements.
- WAC 388-523-0120 Medical extensions - Premiums.
- WAC 388-523-0130 Medical extensions - Redetermination.

Effective September 12, 2002

WAC 388-523-0100 Medical extensions--Eligibility.

- (1) A family who received temporary assistance for needy families (TANF) or family medical program in any three of the last six months in the state of Washington is eligible for extended medical benefits when they become ineligible for their current medical program because the family receives:
 - (a) Child or spousal support, which exceeds the payment standard described in WAC 388-478-0065, and they are not eligible for any other categorically needy (CN) medical program; or
 - (b) Increased earned income, resulting in income exceeding the CN income standard described in WAC 388-478-0065.
- (2) A family is eligible to receive extended medical benefits beginning the month after termination from TANF cash or family medical program for:
 - (a) Four months for a family described in subsection (1)(a) of this section; or
 - (b) Up to twelve months, in two six-month segments, for a family described in subsection (1)(b) of this section. For the purposes of this chapter, months one through six are the initial six-month extension period. Months seven through twelve are the second six-month extension period.
- (3) A family member is eligible to receive six months of medical extension benefits as described in subsection (2)(b) of this section unless:

- (a) The individual family member:
 - (i) Moves out of state;
 - (ii) Dies;
 - (iii) Becomes an inmate of a public institution;
 - (iv) Leaves the household; or
 - (v) Does not cooperate, without good cause, with the division of child support or with third party liability requirements.
- (b) The family:
 - (i) Moves out of state;
 - (ii) Loses contact with the department or the department does not know the whereabouts of the family; or
 - (iii) No longer includes a child as defined in WAC 388-404-0005(1).
- (4) A family member is eligible to receive the second six months of medical extension benefits as described in subsection (2)(b) of this section unless:
 - (a) The family is no longer eligible for the reasons described in subsection (3)(a) or (b); or
 - (b) The individual family member is the caretaker adult who:
 - (i) Stops working or whose earned income stops;
 - (ii) Does not, without good cause, complete and return the completed medical extension report or otherwise provide the required income and child care information; or
 - (iii) Does not, without good cause, pay the billed premium amount for one month.
- (5) A family described in subsection (3) will not receive medical extension benefits for any family member who has been found ineligible for TANF cash because of fraud in any of the six months prior to the medical extension period.
- (6) For the purposes of this chapter, only individual family members that are eligible for Medicaid are certified to receive medical benefits under this program.

CLARIFYING INFORMATION

1. The four-month medical extension is designated as the ACES medical coverage group F03. The twelve-month medical extension is designated as the ACES medical coverage group F02. It is a federal requirement that a client must have received Medicaid in three out of the last six months to qualify for either of the medical extensions.

The three-month test is not limited to families who receive Medicaid with TANF cash assistance (F01). The department counts receipt of family medical (F04) toward the required three months.

2. Many families have individuals eligible for SFA cash as well as TANF cash. The individuals receiving SFA benefits are not eligible to receive Medicaid due to their INS status. In addition, some family members are excluded from receipt of Medicaid under the family medical (F04) program due to their INS status. These individuals are not eligible to receive medical extension benefits.
3. When a family is found eligible for TANF (F01) or family medical (F04) medical coverage groups, any increase in earned income received in the second and third month of medical eligibility is disregarded until the fourth month of medical eligibility as described in WAC 388-450-0210(4). The purpose of this income disregard is to ensure the family meets the three-month test described in 1.

EXAMPLE 1

A family applies for and is determined eligible for TANF cash (F01) in July. The parent gets a job and reports it immediately. Earned income in August exceeds the cash standard and the cash grant is terminated 7/31. For the purposes of medical eligibility, the earned income is disregarded until 9/30 because the increase was received in the second or third month of family medical eligibility. The family received the required three months of family medical coverage in July, August, and September. The medical coverage group is F01 in July, and is F10 for August and September. The medical extension (F02) start date is October.

EXAMPLE 2

A family applies for and is determined eligible for TANF cash (F01) in July. The family is also certified for the three-month retro period of April, May, and June (F04). The parent gets a job and reports it immediately. Earned income in August exceeds the cash standard and the cash grant is terminated 7/31. The family has

received four months of family medical coverage. The increased earned income is counted for August. The medical extension (F02) start date is August.

EXAMPLE 3

A family applies for and is determined eligible for a family medical program (F04) in November. The parent gets a job and reports it immediately. Earned income in December exceeds the family medical standard. The earned income is disregarded until February because the increase is received in the second or third month of family medical eligibility. The family received the required three months of family medical coverage in November, December, and January. The medical coverage group is F04 in November and is F10 for December and January. The medical extension (F02) start date is February.

EXAMPLE 4

A family that requests termination from TANF cash assistance because they want to “bank months” does not receive the (F02) extension at that time. The family continues to be income eligible for family medical (F04) as long as the family’s income is at or below the family medical standard. Only after the income increases above the family medical standard does the (F02) medical extension begin. If the income decreases after the extension begins, the family may re-qualify for a family medical program (F04).

WORKER RESPONSIBILITIES**Four-month Medical Extension (F03)**

1. When the Division of Child Support (DCS) has collected child support in excess of the TANF cash grant for two consecutive months, the ACES system will automatically close the cash grant. The ACES system generates Alert 231 to notify you that child support exceeds the cash grant standards and Alert # 416 to notify you to redetermine medical eligibility. Upon receipt of the alert, apply the medical program financial responsibility rules (see **ASSISTANCE UNITS MAUs**) to determine if the family is eligible for a medical program with a longer certification period. F03 medical will continue while you make the redetermination decision. Remember, for medical programs, child support is considered solely as the income of the child. Code the correct amount of child support on the child’s UNER screen. This will ensure associated AU’s such as food assistance are computed correctly.

EXAMPLE

Mother and her son have been receiving TANF cash of \$440 per month. The child support is \$500 per month. The child support income is considered solely that of the child. The child with separate income is in his own medical assistance unit (MAU). The mother has \$0 income and is in her own MAU. Based on zero income, she is eligible for F04 for the balance of the twelve-month certification period. The child's \$500 is less than the 200% FPL for a one-person assistance unit. The child is eligible for F06.

2. If the termination was the result of the receipt of increased spousal support, the four-month extension (F03) is appropriate. Spousal support, is considered the parent's income and available to all members of the assistance unit.

NOTE: At the end of a four-month (F03) medical extension, the children are very likely eligible for a children's medical program.

Effect of Changes During F02 or F03 Medical Extensions

1. When the family composition changes during the medical extension period, take the following actions:
 - a. Add a family member when the person:
 - (1) Is born or adopted into the family; or
 - (2) Returns to the family and would have been a member of the medical assistance unit if the person had been in the household when the medical extension began;
 - b. Remove a family member from the medical assistance unit when the person leaves the household.

NOTE: A person entering or leaving the household does not affect the amount of the premium. See WAC 388-523-0120.

2. A family remains eligible for the four or twelve month medical extension unless the family or an individual family member meets the conditions described in WAC 388-523-0100(2) or (3).

3. Should a family report a significant decrease in income, determine if the family is eligible for another medical program. No increase or decrease in income reported after the medical extension report affects the computed premium amount. See WAC 388-523-0130.
4. Should a family report the pregnancy of an adult, code the EDD date to exempt the pregnant woman from the premium requirement as described in WAC 388-523-0120.
5. When a family becomes eligible for TANF cash and/or family medical program during the medical extension certification period, and is subsequently terminated due to increased income, the family is eligible for the income disregard. CN medical will continue until the family can meet the three of six months rule for the twelve-month extension. There is no limit to the number of times a family can receive the income disregard.

EXAMPLE

A family receives the twelve-month extension, but the parent loses their job at the end of month five. The family goes back on TANF cash. After a month on TANF cash, the parent is rehired at a salary that results in termination from TANF cash assistance. Their child-care expenses are too low for the family to qualify for family medical (F04).

The family does not qualify for continuing family medical because their countable income exceeds the CNIL.

The family is eligible for a new income disregard in the second and third month because the month of cash assistance is considered as month one of eligibility for a family medical program. (The months of medical extension do not count toward the three out of the last six months test.) The family is eligible for a new twelve-month medical extension period.

Effective May 23, 2002

WAC 388-523-0110 Medical extensions--Reporting requirements.

- (1) The family must report family income and employment-related child care costs the family pays by the twenty-first day of:
 - (a) Month four of the extension period, for months one, two, and three; and

- (b) Month seven of the extension period, for months four, five, and six.
- (2) Circumstances may prevent a family from meeting the reporting requirements in subsection (1) of this section. The family remains eligible for the medical extension when good cause exists. Reasons for good cause include, but are not limited to:
 - (a) Illness, mental impairment, injury, trauma, or stress;
 - (b) Lack of understanding the reporting requirement due to a language barrier;
 - (c) Transportation problems;
 - (d) Payment for work in each month of the reporting period was paid in a different month than it was earned;
 - (e) The client expected to be able to meet the family medical needs, but could not; or
 - (f) The client was given incorrect information about the reporting requirements. Refer to WAC 388-422-0020(4) and (5).

CLARIFYING INFORMATION

A client is sent a Medical Extension Report form (MER) in the middle of the third month and sixth month of the certification period. The MER is designed to gather actual income and child-care costs for months one, two and three or for months four, five, and six. This information is required to determine the family exemption from the premium requirement or to determine the amount of the premium. The client may report this information to you in an alternative method, such as, a replacement MER or another document sufficient to gather the required information.

Effective May 23, 2002

WAC 388-523-0120 Premium requirements

- (1) **"Countable income"** means, for the purposes of determining the premium amount described in this chapter, all earned and unearned income of the adult family members except SSI cash assistance, minus the amount of employment-

- related child care paid for by the family. The earned and unearned income of an adult, living in the household, who is financially responsible for other members of the assistance unit is included, whether or not the person is an eligible member of the assistance unit.
- (2) For a family whose first month of medical extension benefits occurs on or after February 2002, the department requires the family pay premiums for medical coverage provided during the second six-month medical extension period. The premium amount is one percent of the family's countable income per person/per month. This amount is rounded down to the nearest whole dollar.
- (3) The premiums for:
- (a) Months seven, eight, and nine are based solely on the average countable income received in months one, two and three of the medical extension period; and
 - (b) Months ten, eleven, and twelve are based solely on the average countable income received in months four, five, and six of the medical extension period.
- (4) A subsequent change in income does not effect the premium amount described in subsection (2) and (3) of this section.
- (5) When a family's premium is one month in arrears, the family is ineligible for the balance of the medical extension period unless good cause exists. Reasons for good cause include, but are not limited to:
- (a) Illness, mental impairment, injury, trauma, or stress;
 - (b) Lack of understanding the premium payment requirement due to a language barrier;
 - (c) Transportation problems;
 - (d) The client did not pay the premium because they expected to be able to meet the family medical needs, but could not; or
 - (e) The client was given incorrect information or did not receive advance and adequate notice about the premium payment requirements. Refer to WAC 388-422-0020(4) and (5).
- (6) The department exempts individual family members from the premium requirements, as follows:

- (a) Children;
 - (b) Pregnant women;
 - (c) American Indians and Alaska Natives; and
 - (d) Caretaker adults in a family whose countable income is equal to or less than one hundred percent of the Federal Poverty Level based on family size as described in WAC 388-478-0075(2).
- (7) When determining the exemption described in (6)(d), the department shall include in the household size an unborn child and a person who is financially responsible for other members of the assistance unit, whether or not the person is an eligible member of the assistance unit. A person receiving SSI cash assistance is not included when determining the household size.
- (8) The department determines a family's exemption from the premium requirement as described in subsection (6)(d) for:
 - (a) Months seven, eight and nine based solely on information available to the department at the time the premium for these months is calculated; and
 - (b) Months ten, eleven, and twelve based solely on information available to the department at the time the premium for these months is calculated.
- (9) Any income change resulting in an individual meeting the exemption criteria in subsection (6)(d) after the establishment of the premium amount for months seven, eight and nine is used to calculate the premium amount for months ten, eleven, and twelve.

CLARIFYING INFORMATION

1. Only those families whose first month of medical extension benefits occurs on or after February 2002 are required to pay medical coverage premiums.
2. In order to receive medical coverage in months seven through twelve of the medical extension (F02), the family must pay a premium for their medical benefits, unless the person or family is exempt. The premium is based on the family's average countable income minus child-care.

EXAMPLE 1

(Three-person household, two adults and one child):

Month	Earned Income	Unearned Income	Child Care Deduction	Total/Average Countable Income
January	\$1200	\$235	\$400	\$1035
February	\$1400	\$0	\$ 50	\$1350
March	\$1600	\$0	\$100	\$1500/1295

The income in the chart represents the income and child-care expenses during the family's first three months of the medical extension and is reported in month 4. The total income minus the child-care expenses is divided by three months to determine the premium amount for months seven, eight and nine of the medical extension period.

The family's average income of \$1295 is compared to the 100% FPL. Because the average income is over the three person 100% FPL of \$1252, the household is not exempt from the premium requirement.

In this example, the mother is not pregnant. The premium for each caretaker adult equals 1% of the average countable income. \$1295 times 1% equals \$12.95 which is rounded down to \$12.00 per month/per adult. The total premium requirement for this household is \$24.00 per month.

EXAMPLE 2

(Household includes Mom, two children and undocumented Father. This is counted as a four-person household, two adults and two children. Both parents recently returned to work):

Month	Earned Income of both parents	Unearned Income	Child Care Deduction	Total/Average Countable Income
April	\$1600	\$0	\$200	\$1400
May	\$2000	\$0	\$200	\$1800
June	\$1750	\$0	\$200	\$1550/1583.33

The income in the chart represents the income and child care expenses during the family's months four, five, and six of the medical extension and is reported in month 7. The total income minus the child-care expenses is divided by three months to determine

the premium amount for months ten, eleven and twelve of the medical extension period.

The family's average income of \$1583.33 is compared to the 100% FPL. Because the average income is over the four person 100% FPL of \$1509, the household is not exempt from the premium requirement.

In this example, the mother is not pregnant. The premium for each caretaker adult equals 1% of the average countable income. \$1583.33 times 1% equals \$15.83 which is rounded down to \$15.00 per month/per adult. The total premium requirement for this household is \$15.00 per month for the mother.

NOTE: The undocumented father is financially responsible for his family so his income is included. He is also included in the household size when comparing to the 100% FPL. He is not certified to receive medical extension benefits so does not pay a premium.

EXAMPLE 3

(Household includes pregnant Mom, Dad, and three children. This is counted as a six-person household. Dad recently returned to work):

Month	Earned Income of both parents	Unearned Income	Child Care Deduction	Total/Average Countable Income
January	\$2100	\$0	\$0	\$2100
February	\$2100	\$0	\$0	\$2100
March	\$2100	\$0	\$0	\$2100/2100

The income in the chart represents the income during months one, two, and three of the family's medical extension and is reported in month 4. The total income is divided by three months to determine the premium amount for months seven, eight, and nine of the medical extension period.

The family's average income of \$2100.00 is compared to the 100% FPL. Because the average income is over the six person 100% FPL of \$2022, the household is not exempt from the premium requirement.

The premium for each caretaker adult equals 1% of the average countable income. \$2100.00 times 1% equals \$21.00 per month/per adult. The total premium requirement for this household is \$21.00 per month because the pregnant mother is exempt from the premium requirement through the 60-day postpartum period.

EXAMPLE 4

(Household includes Mom and one child. This is counted as a two-person household):

Month	Earned Income	Unearned Income	Child Care Deduction	Total/Average Countable Income
January	\$910	\$0	\$25	\$885
February	\$950	\$0	\$25	\$925
March	\$1000	\$0	\$25	\$975/928.33

The income in the chart represents the income during months one, two and three of the family's medical extension and is reported in month 4. The total income is divided by three months to determine the premium amount for months seven, eight, and nine of the medical extension period.

The family's average income of \$928.33 is compared to the 100% FPL. Because the average income is under the two person 100% FPL of \$995, the household is exempt from the premium requirement for months seven, eight and nine.

NOTE: The mother calls her case manager in month six and reports she received a promotion and her income has increased to \$1500 per month. This subsequent increase in income does not affect her premium amount. The premium amount for months seven, eight, and nine is established based solely on the countable income received in months one, two and three.

The increased income will be reflected in the premium amount for months ten, eleven, and twelve that is established based solely on the countable income in months four, five and six. She also reports her child's father has returned home. Add the father to the medical extension assistance unit.

NOTE: The mother calls her case manager in month six and reports her hours have been cut and her income has decreased to \$700 per month. This subsequent decrease in income does not affect her premium amount. The premium amount for months seven, eight, and nine is established based solely on the countable income received in months one, two and three. See WAC 388-523-0130 concerning redetermination of eligibility when the client experiences a significant decrease in income.

Billing The Premiums

1. Based on data received from ACES, the Office of Financial Recovery (OFR) sends the premium bills to the client approximately the 5th of each month for the premium due in the following month. The client pays the premium amount to OFR. OFR will notify ACES when a client has not paid the premium. When a client has not paid their required premium, determine if good cause exists for non-payment. If not, redetermine eligibility for the family members.
2. OFR will also notify ACES when they receive a late payment from a family previously identified in the OFR/ACES “no payment” interface. If good cause exists, reinstate the case.
3. A client may decide to pre-pay premiums for all of the second six-month period. If the family is terminated, OFR will refund the pre-paid premiums after the case is closed for two months. If you want OFR to process the refund sooner, contact Vickie Butler at OFR. She can be reached at 360-664-5497 or butlevl@dshs.wa.gov.

EXAMPLE

The certification period for MEB is January 1 through December 31. The client prepays the premiums for July through December. The only child in the household leaves the home in August. The F02 AU is closed effective August 31 and ACES stops sending premium data to OFR. After two months, OFR will automatically refund the prepaid premiums for September through December. If necessary, you may request an earlier refund for your client by contacting Vickie Butler at OFR.

WORKER RESPONSIBILITIES

Input the actual family income and employment-related child-care expenses into the ACES BPAM screen.

Effective May 23, 2002

WAC 388-523-0130 Medical extensions -- Redetermination.

- (1) When the department determines the family or an individual family member is ineligible during the medical extension period, the department must determine if they are eligible for another medical program.
- (2) When a family reports a reduction of income, the family may be eligible for a family medical program instead of medical extension benefits.
- (3) Postpartum and family planning extensions are described in WAC 388-462-0015.

CLARIFYING INFORMATION

1. At the end of the medical extension certification period, a client is sent a review. In order to process correctly, do not initiate a review of F02. Screen for F04.
2. When termination is considered during the medical extension certification period, continue eligibility until a re-determination of eligibility for all other medical programs is completed.

EXAMPLE

The only child in the AU leaves the state. Do an ex parte review to determine if the parent has previously claimed pregnancy or disability. If not, terminate medical coverage. If your ex parte review shows the parent may currently be pregnant or disabled, continue medical coverage until you have completed your redetermination for another medical program.